

Letters of Nicholas Biddle, "Bank War" Protagonist

THE Biddles of Pennsylvania have been a famous family ever since the time when one of their members landed on the shores of the Delaware with William Penn to aid him in the foundation of that Commonwealth. Among the many men of note given by the family to the service of the State and Nation, the most distinguished was Nicholas Biddle, the financier, who for so many years presided over the affairs of the Bank of the United States, and defended that institution against the attack of President Jackson and his friends in Congress.

Nicholas Biddle was a man of brilliant attainments, rare personal influence and great force of character. He carried on an extensive correspondence with the leading Americans of his day. This correspondence throws much light on the history of this country during the first half of the nineteenth century. To render it available to students, Prof. Reginald C. McGrane of the University of Cincinnati has collected and edited the letters concerning national affairs which were written to Nicholas Biddle and by him from 1807 down to 1844, the year of his death, and these have now been published for the first time in a volume entitled *The Correspondence of Nicholas Biddle*, which is adorned with three portraits of Mr. Biddle, who was an exceptionally handsome man, and with a view of his home at Andalusia. The book is an important contribution to American historical literature.

II.

Nicholas Biddle was born in 1786, studied a while at the University of Pennsylvania and then went to Princeton, where he graduated at the head of his class in 1801. He then read law and began to practice, but was lured from the profession by an appointment as private secretary to Gen. Armstrong, our Minister to France. In this capacity he remained in Europe from 1804 to 1807, when he returned to Philadelphia and resumed the practice of the law, devoting his leisure to the preparation of an edition of the *Travels of Lewis and Clarke*, the famous early explorers of the great Northwest.

Between 1810 and 1818 he served two terms in the Legislature of Pennsylvania; in 1819 he was appointed Government Director, and in 1822 he was elected President of the Bank of the United States. He held the latter office until the expiration of the bank's charter in 1836, and he remained at the head of the institution after it was reorganized under the laws of Pennsylvania.

There are 307 letters in this volume, together with some memoranda lacking the formality of letters. Among the correspondents of Nicholas Biddle were Webster, Clay, Calhoun, Edward Everett, Edward Livingston and Presidents Monroe and Tyler, beside numerous lesser lights in the political firmament.

Although it was as a financier that Nicholas Biddle became best known to the world, it is a curious fact that he had little or no knowledge of banking before he was 33 years old. This is apparent from a passage in his letter to President Monroe, dated January 31, 1819, thanking him for the appointment as Government Director of the United States Bank.

"I have little concern with banks," he writes, and have hitherto declined sharing in the management of the institution when it was proposed to me by the stockholders. Yet I am unwilling to avoid any duty by which you think I can be of service." He goes on to say, however, that the Bank of the United States has undoubtedly been perverted to selfish purposes and that it may and must be renovated, being an institution of vital importance to the finances of the Government and an object of great interest to the community.

From that time to the end of his life he devoted himself chiefly to the promotion of its welfare. In 1822, just before his election to the presidency, he expressed the opinion that the new president of the bank should be not so much a man of business, as a man who had a talent for business. "Without meaning at all to disparage the knowledge of details which business men are presumed to possess," he wrote, "I am quite satisfied from what I have myself seen at the bank that the mere men of business are by no means the most efficient in administration. The fact is that the misfortunes of the bank were actually occasioned by the men of business and their errors were precisely the faults into which men of business were likely to fall." Shortly after writing thus, he received a cordial letter from Calhoun rejoicing at the prospect that he was about to become the new president.

In his management of the bank he made it an invariable rule never to borrow therefrom himself or to indorse notes to be discounted there or elsewhere. He was firmly opposed to any increase in the rate of the bank's dividends until the directors were perfectly sure that they would never be obliged to diminish it. His refusal to advance the rate led to the formation of a combination to remove him from the board, but this came to nought.

III.

The Bank of the United States prospered under Biddle's management for upwards of six years. Stormy times were ahead for it, however. In his message to the Congress which convened on December 7, 1829, President Jackson said that both the constitutionality and expediency of the law creating the bank were well questioned by a large portion of his fellow citizens and that it must be admitted by all that the institution had failed in the great end of establishing a uniform and sound currency. The President ignored the decision of the Supreme Court rendered by Chief Justice Marshall in 1819, in the great case of *McCulloch vs. Maryland*, holding that the charter of the bank was constitutional. He also omitted to disclose any method whereby the bank could have done more than it did to establish a uniform currency. The Government had not then asserted the power to establish a national bank system with authority to issue paper money, and the Bank of the United States was powerless to remedy the evil resulting from the circulation of State bank notes varying vastly in specie value.

The attack on the Bank of the United States thus initiated in the President's message increased in bitterness and intensity until Jackson removed the Government deposits from the institution in 1833, and he was able to overcome Biddle's strenuous efforts to preserve the bank and prevent the expiration of its Federal charter which terminated three years later. Biddle was able, however, to procure a State charter for the bank from the Legislature of Pennsylvania, but of course, its prestige and influence were greatly diminished.

Much of the correspondence in the present volume relates to this controversy, in which Jackson and Biddle were the principal figures. Biddle was supported in Congress by Clay and Webster, while the State banks favored Jackson in his attack upon the financial autocrat whom they called "The Emperor Nicholas." The character of the contest is admirably summed up by Buell in his *History of Andrew Jackson* (Bickers, & Son, London, 1904). Jackson undoubtedly believed that the Bank of the United States was a menace to the country; Biddle believed it to be a useful institution which ought to be upheld and preserved. "Both were combative, resolute and imperious. Both were fighting men. Neither was a man of compromise. Biddle was as anxious to destroy Jackson as Jackson was to destroy Biddle. In the end the whole imbroglio resolved itself into something very closely approaching personal combat between two great men, so radically antagonistic and so utterly irreconcilable that both could not hold commanding power in the same country and at the same time."

Prof. McGrane's editorial notes indicate the bearing of the various letters on the famous Bank War, and are admirable as far as they go; but they might well have been much fuller.

IV.

In the course of the Bank War the combatants indulged in violence, vituperation and slander to an extent which would not be tolerated in political controversies nowadays. Even so pure a character as Chief Justice Marshall was subjected to

defamation, it being publicly asserted that he was a stockholder in the Bank of the United States when he wrote the opinion holding its charter to be constitutional. The letters on this subject in the present collection establish beyond a doubt that the Chief Justice had sold all his stock in the bank before hearing any case in which its interests were involved; and that at the time of the sale, being urged to retain it, he declared that he could not do so in view of the probability that the Supreme Court would be called upon to sit in judgment upon the bank's rights or obligations. In one letter Biddle records his satisfaction in hastening "to perform the sacred duty of defending the character of an honest man from the reptiles who avenge themselves for his superiority while living by crawling over his dead body."

Aside from the bank controversy there are many interesting letters. One of the most characteristic of Biddle's epistles is a note to Daniel Webster in 1843, written to dissuade him from relinquishing the office of Secretary of State in President Tyler's Cabinet. We reproduce most of it.

Do not leave your present position.
If you do, you descend—
You must hereafter be only a king or a king maker.
You can do nothing abroad which you cannot do better while you remain here and speak through your agents—as secretary you are the Government—as a Minister you are the Government's agent.
Then if you go who is to take your place? Some transcendentalist—some cobweb spinner.
—So stay—stay—
Having delivered myself of these profundities I descend from my tripod.

Nicholas Biddle's letters generally indicate a high degree of political sagacity, but there is one missive near the end of the book which contains a suggestion so preposterous that we think it might well have been withheld from publication. Writing to Joseph Gales on January 9, 1844, he says: "I believe that the thing most desirable now would be the nomina-

tion of Mr. Clay for President and Mr. Webster for Vice-President!" His wits must have been wool-gathering when he seriously proposed that Daniel Webster at that period in his career should be made a candidate for the most perfunctory post under our Government.

In making this book Prof. McGrane has done a work worth doing and done it well.

THE CORRESPONDENCE OF NICHOLAS BIDDLE, DEALING WITH NATIONAL AFFAIRS, 1807-1844. Edited by REGINALD C. MCGRANE. Boston: Houghton Mifflin Company.

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